

## Message Text

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ORIGIN EB-11

INFO OCT-01 IO-14 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SP-03 FEA-02 OMB-01 SWF-02 OIC-04 AF-10 ARA-16 EA-11

EUR-25 NEA-14 /233 R

DRAFTED BY EB/OT/GCP:CLAY BLACK  
APPROVED BY EB/OT/GCP:JEO'MAHONY  
STR:BSTEINBOCK (SUBS)  
TREASURY:ECHASE (SUBS)  
AGRI:RMCCONNELL (SUBS)  
COMMERCE:EHESSLER (SUBS)  
IO/CMD:RHINES  
EB/ORF/ICD:NHERRINGER

----- 078176

O 292247Z MAY 74  
FM SECSTATE WASHDC  
TO USMISSION GENEVA IMMEDIATE

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E.O 11652 N/A

TAGS: ETRD, UNCTAD

SUBJECT: UNCTAD: DRAFT RESOLUTION ON IMPROVEMENTS IN GSP

REF: GENEVA 3338

1. WE AGREE THAT SUBJECT DRAFT RESOLUTION PRESENTS  
US SERIOUS PROBLEMS. PRESENT TEXT WOULD REQUIRE US TO  
VOTE AGAINST THE RESOLUTION. IN ITS PRESENT FORM  
RESOLUTION COULD CAUSE US PROBLEMS WITH CONGRESS RE  
AT LEAST THE GSP TITLE OF TRADE BILL. 2. REQUEST YOU  
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INDICATE TO GROUP B AND DEVELOPING COUNTRIES THAT US

IS UNABLE TO ACCEPT A LARGE NUMBER OF THE REQUESTS MADE BY THE RESOLUTION IN ITS PRESENT FORM AND THAT THE RESOLUTION WOULD JEOPARDIZE OUR GSP LEGISLATION WHICH IS PRESENTLY BEFORE CONGRESS. US DEL SHOULD ATTEMPT TO WORK OUT ACCEPTABLE LANGUAGE WITH THE GROUP OF 77 IN ACCORDANCE WITH THE SPECIFIC US PROBLEMS AS DETAILED BELOW. US DEL WILL HAVE TO USE DISCRETION IN WORKING OUT ACCEPTABLE LANGUAGE--IN DOING SO SHOULD MAKE CERTAIN US IS NOT RPT NOT COMMITTED TO ANY NEW OR EXPANDED OBLIGATIONS. IF YOU ARE UNABLE TO NEGOTIATE LANGUAGE THAT TAKES ACCOUNT OF US CONCERNS, INDICATE TO GROUP OF 77 THAT THE US WILL VOTE AGAINST THE RESOLUTION AND OPPOSE ANY ATTEMPT TO ADOPT IT BY CONSENSUS OR WITHOUT VOTE. IF NO FURTHER POSSIBILITY OF COMPROMISE ON LANGUAGE EXISTS, INDICATE THAT ONE POSSIBLE WAY WE COULD AVOID OPPOSING THE RESOLUTION

WOULD BE FOR THE RESOLUTION SPECIFICALLY AND CLEARLY TO NOTE THE VARIOUS REQUESTS AS THE VIEWS OF THE DEVELOPING COUNTRIES WHILE NOTING NO MORE THAN THAT THE PREFERENCE-GIVING COUNTRIES AGREED TO CONSIDER THESE VIEWS. IF THE GROUP OF 77 ACCEPTED THIS FORMULA, THE US COULD ABSTAIN OR VOTE FOR THE RESOLUTION DEPENDING UPON ITS CONTENT.

3. COMMENTS AND PARAGRAPH NUMBERS IN PARENTHESES ARE KEYED TO PARAGRAPHS OF RESOLUTION. WE CANNOT ACCEPT LANGUAGE THAT COMMITS US TO THE SOLUTIONS PUT FORWARD BY THE LDCS ON THE POINTS NOTED BELOW- US DEL SHOULD SEEK CHANGES ALONG THE LINES INDICATED. (2) WE AGREE WITH US DEL RECOMMENDATION- AT MINIMUM INSERT WORDS "ENDEAVOR TO" BEFORE WORDS "EFFECT FURTHER IMPROVEMENTS." INSERT AT A MINIMUM WORDS "WHERE FEASIBLE" OR "WHERE POSSIBLE" FOLLOWING WORDS "EXPANSION OF PRODUCT COVERAGE" IN (2I); FOLLOWING WORD "INCLUSION" IN (2II); AND FOLLOWING WORDS "QUOTA FREE TREATMENT" IN (2III). WE ALSO AGREE YOU SHOULD ATTEMPT TO HAVE THE WORDS "SUCH AS TEXTILES, FOOT-WEAR, OTHER LEATHER PRODUCTS, ETC.-" DELETED FROM (2II). ALTERNATIVELY, (2I) COULD END FOLLOWING LIMITED OFFICIAL USE

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THE WORDS "EXPANSION OF PRODUCT COVERAGE" AND (2II) WOULD BE DELETED ENTIRELY. DELETE (2VI) OR AT A MINIMUM ADD WORDS "WHERE FEASIBLE" FOLLOWING THE WORDS "ZERO PREFERENTIAL TARIFFS." THIS REQUEST WAS MADE AT THE FIFTH SESSION OF THE COMMITTEE BY INDIA WITH RESPECT TO US TEXTILE TARIFFS AND IS NOT CONSIDERED POSSIBLE AT THIS TIME. IN (2X) DELETE ALL OF THE WORDS FOLLOWING "ONLY UNDER

EXCEPTIONAL CIRCUMSTANCES." THE PROPOSED US GSP LEGISLATION (SEC 503D) REQUIRES REMOVAL OF AN ARTICLE FROM GSP TREATMENT WHILE IT IS SUBJECT TO ESCAPE CLAUSE ACTION. PRIOR INTERNATIONAL CONSULTATION AND REVIEW OF ESCAPE CLAUSE OR SAFEGUARD ACTIONS, IS A SUBJECT FOR CONSIDERATION WITHIN THE GATT AND IN THE MTN. THE US COULD ACCEPT A STATEMENT REFERRING THIS MATTER TO THE GATT FOR ITS CONSIDERATION. OR WE AGREE WITH YOUR RECOMMENDED CHANGE "IN (EX) SOIBLE" WOULD ACCEPT INSERTION OF THE WORDS "WHERE POSSIBLE" FOLLOWING THE WORDS "IMPROVEMENT OF THE RULES OF ORIGIN."

4. RE. PARA. (3) WE COULD ACCEPT THE FIRST PART DEALING WITH SUPPLEMENTARY MEASURES UNLESS THESE ARE DEFINED TO MEAN SOMETHING MORE THAN ASSISTING GSP DEVELOPING COUNTRY EXPORTERS TO MAKE USE OF THE GSP

SYSTEMS. THE LATTER PART OF (3) IS UNACCEPTABLE BOTH BECAUSE IT IS TOO BROAD IN COVERAGE AND DOES NOT PROVIDE THE NECESSARY FLEXIBILITY TO A PREFERENCE GIVING COUNTRY IN HANDLING ITS OWN PROBLEMS- THE REPLACEMENT OF THE WORDS "TO EXEMPT" WITH THE WORDS "CONSIDER EXEMPTION FOR" DOES NOT GO FAR ENOUGH. THE US COULD ACCEPT REFERRAL OF THE PROBLEM PERCEIVED BY THE DEVELOPING COUNTRIES TO THE GATT AND THE IMF-

5. RE. PARA. (4) THE US DOES NOT ACCEPT THAT AN AIM OF ITS GSP IS TO COMPENSATE DEVELOPING COUNTRIES FOR THE DISMANTLING OF SPECIAL PREFERENTIAL TRADING ARRANGEMENTS WHICH THEY HAVE WITH OTHER DEVELOPED COUNTRIES. MOREOVER, CONSIDERATION OF COMPENSATION WITHIN THE FRAMEWORK OF GSP FOR A PARTICULAR DEVELOPING LIMITED OFFICIAL USE

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COUNTRY SHOULD BE BASED ON EVIDENCE OF INJURY OR THREAT OF INJURY TO THAT COUNTRY'S TRADE UNDER THE SPECIAL PREFERENTIAL TRADING ARRANGEMENT. THE US COULD ACCEPT LANGUAGE ALONG THE LINES THAT SPECIAL CONSIDERATION SHOULD BE GIVEN IN THE IMPROVEMENT OF GSP SYSTEMS TO THOSE PRODUCTS OF PARTICULAR EXPORT INTEREST TO DEVELOPING COUNTRIES WHOSE TRADE HAS BEEN INJURED OR IS THREATENED WITH INJURY THROUGH SHARING THEIR EXISTING TARIFF ADVANTAGES IN SOME DEVELOPED COUNTRIES AS A RESULT OF THE INTRODUCTION OR ENLARGEMENT OF THE GSP. ALTERNATIVELY, THE US COULD ACCEPT THE LANGUAGE ADOPTED ON THIS POINT BY THE COMMITTEE LAST YEAR IN THE RESOLUTION ON IMPLEMENTATION OF GSP WHICH STATED THAT LDCS SHARING THEIR TARIFF ADVANTAGES AS A RESULT OF THE

INTRODUCTION OF GSP "WILL EXPECT THE NEW ACCESS  
IN OTHER DEVELOPED COUNTRIES TO PROVIDE EXPORT  
OPPORTUNITIES AT LEAST TO COMPENSATE THEM." WITH  
RESPECT TO (5) WE AGREE WITH US DEL RECOMMENDATIONS  
BUT WOULD FIND MORE ACCEPTABLE REPLACEMENT OF THE  
WORDS "REACH AGREEMENT ON ALL" WITH THE WORDS  
"ENDEAVOR TO ACHIEVE SOLUTIONS TO."

6. REFERENCE TO PROGRAM OF ACTION IN PREAMBLE RAISES  
PROBLEM FOR US IN VIEW OF PROGRAM'S MANY OBJECTIONABLE  
FEATURES. IF DELEGATION OTHERWISE REACHES POSITION OF  
BEING ABLE TO VOTE FOR RESOLUTION, YOU SHOULD MAKE  
STATEMENT FOR THE RECORD THAT AFFIRMATIVE VOTE IN  
NO WAY MODIFIES US POSITION WITH REGARD TO PROGRAM  
OF ACTION AS STATED AT TIME OF ADOPTION OF PROGRAM  
AT UNGA SIXTH SPECIAL SESSION. BROWN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOCUMENTS, LESS DEVELOPED COUNTRIES, GENERALIZED PREFERENCES (TARIFFS), AMENDMENTS, TARIFF NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** WorrelSW  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE112546  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CLAY BLACK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740135-0438  
**From:** STATE  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1974/newtext/t1974059/aaaaahym.tel  
**Line Count:** 185  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Subject:** UNCTAD: DRAFT RESOLUTION ON IMPROVEMENTS IN GSP  
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**To:** GENEVA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005